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**ARLINGTON COUPLE SENTENCED TO 84 MONTHS IMPRISONMENT EACH
FOLLOWING TAX SCHEME CONVICTION**

***Defendants Charged Clients to Assist Them in
Filing Forms to Stop Federal Income Tax Withhold from Wages***

United States Attorney Richard B. Roper announced that Charles Kenton Ford and Bivian Kathryn Brumley, of Arlington, Texas, were sentenced this morning in federal court in Fort Worth, Texas, by the Honorable John McBryde, United States District Judge. Both Charles Kenton Ford and Bivian Ford Brumley were each sentenced to a total of seven years imprisonment. Both were also ordered to make restitution to the United States in excess of \$300,000.00. Ford has been in federal custody since his arrest in September 2004 and Bramley has been in federal custody since her second arrest in late December 2004 after she failed to appear for a court date and forced a delay in the trial. Both defendants will also be required to serve a three-year term of supervised release upon getting out of prison.

In sentencing Ford and Brumley above the top end of the United States Sentencing Guidelines, Judge McBryde said that based on their "cult-like" beliefs in anti-government and anti-tax rhetoric, the top guideline range did not adequately address their criminal conduct and the likelihood that they would continue to violate the federal tax laws upon release from prison. During sentencing Judge McBryde specifically mentioned the defendants' contempt for the federal courts and government and the fact they did not accept federal law or the authority of the federal courts or laws that other United States citizens routinely follow. Judge McBryde reminded Ford that the United States taxpayers recently shouldered the expense for his recent successful coronary bypass surgery which was necessary after Ford suffered a near fatal heart attack in jail. The judge further pointed out to Ford that federal tax dollars could have a useful purpose.

U.S. Attorney Roper said, "I applaud Judge McBryde's decision to impose tough prison sentences. The Brumleys routinely counseled their clients to cheat the IRS by making goofy, nonsensical legal arguments that no court has ever accepted. Such brazen fraud merits harsh punishment."

"These sentences should deter those who would cheat our tax system by acting on frivolous tax arguments. Those who mock our Government and our tax laws will feel the full force of the law," said Michael Lacenski, Special Agent in Charge of the Dallas Field Office of the Criminal Investigation Division of the Internal Revenue Service.

Both Ford and Brumley, who had declined a jury trial, were convicted in February 2005 at a bench trial presided over by Judge McBryde on all counts of an indictment that charged them with various offenses related to their tax fraud scheme. Each was convicted on one count of conspiracy to defraud the United States. In addition, Ford was convicted on four counts of aiding and assisting in the preparation of a false and fraudulent document and one count of making and subscribing a false document. Brumley was also convicted on two counts of aiding and assisting in the preparation of a false and fraudulent document, and two counts of making and subscribing a false document.

Ford and Brumley, who represent themselves to the public as husband and wife, owned Assets Trusts & Associates in Arlington, Texas and Brumley worked for the Fort Worth Independent School District (FWISD). From April 15, 1999 until at least December 1, 2001, Ford and Brumley conspired to defraud the United States by impeding, impairing, obstructing, and defeating the function of the IRS in its collection of income taxes.

Judge McBryde found that Ford and Brumley, operating as Asset Trusts and Associates, marketed a plan to their clients, purporting to get them out of the federal income tax system based on a false claim of non-resident alien status. For a fee of between \$400 and \$1000, Ford and Brumley assisted their clients in the filing of false IRS Forms W-4 with the clients' employers to stop federal income tax withholding from the clients' wages. They also instructed their clients to stop filing federal income tax returns and to stop paying federal income taxes.

In fact, on July 23, 1999, Ford and Brumley filed a false IRS Form W-4 with her employer, the FWISD. On multiple occasions, Ford and Brumley aided and assisted persons in filing false IRS W-4 forms with employers, or filed false IRS W-4 forms with their employers, to stop the withholding of federal income tax from wages

According to evidence presented at trial, Ford and Brumley's plan included two well-worn and frivolous anti-tax arguments. They first drafted documents in which they and their clients

claimed that they had rejected citizenship in the United States in favor of state citizenship and were therefore relieved of their federal income tax obligations. The second strategy in their plan was to argue that the United States consists only of the District of Columbia, federal territories (e.g., Puerto Rico, Guam, etc.), and federal enclaves (e.g., American Indian reservations, military bases, etc.) and does not include the “sovereign” states. According to this argument, if a taxpayer does not live within the “United States,” as so defined, he is not subject to the federal tax laws. All these arguments have been uniformly ruled frivolous by all courts that have reviewed them. A full dissertation and rebuttal of these and other frivolous anti-government/ anti-tax arguments can be found on the internet at http://www.irs.gov/pub/irs-utl/friv_tax.pdf.

U.S. Attorney Roper praised the investigative efforts of the Internal Revenue Service - Criminal Investigation (IRS-CI), Dallas Field Office. The case was prosecuted by Assistant United States Attorney J. Michael Worley and Trial Attorney Bob Kemins of the Tax Division, Department of Justice.